



**SCOTTSDALE AIRPORT ADVISORY COMMISSION
PUBLIC MEETING
Scottsdale Airport Terminal Lobby
15000 N. Airport Drive, Scottsdale, AZ**

February 9, 2011

MINUTES

PRESENT: Gunnar Buzzard, Chairman
John Washington, Vice-Chairman
William Bergdoll
Ken Casey
Michael Goode
William Schuckert
Lois Yates

STAFF: Gary P. Mascaro, Aviation Director
Shannon Johnson, Management Analyst
Chris Read, Airport Operations Manager

OTHERS: Mike Aaby
Scott Casey
Scott Chesnut, Executive Vice President of Bye Aerospace, Inc.

CALL TO ORDER

Chairman Buzzard called the meeting to order at 6:03 p.m.

ROLL CALL

A formal roll call confirmed the presence of Commissioners as noted above.

AVIATION DIRECTOR'S REPORT

Mr. Gary Mascaro, Aviation Director reported that the American Association of Airport Executives has bestowed an award on Scottsdale Airport for annual training excellence. This is a significant award, it means that an airport's workers have completed a certain amount of federally mandated airport specific and continuing education. This award underscores an airport's dedication to improving all aspects of its operations through advanced training. Mr. Mascaro said he is very pleased that the Airport received this recognition.

He told the Commission that no bids were received on the RFP for the Air Fair. This was disappointing as staff approached the Air Fair Association of America among others. After discussions with possible promoters, he and Mr. Read are modifying the contract to hopefully attract bidders. The revised RFP should be released early next week.

Many applications have been received for the outreach planning coordinator position. Staff hope to complete interviews by the second week of March. Once that position is filled the Airport will be fully staffed.

Mr. Mascaro said Mr. Read has worked diligently with the contractor and the engineer. Construction of the Airfield safety enhancement project is set to start February 14 and is expected to take 110 days to complete. He reminded the Commissioners that this project includes safety signage, realigning and strengthening the eastern portion of the Delta ramp taxi lane, constructing a bypass taxi lane at the alpha taxi way area, and other components. Most of the work will be done by day and night. Runway closures will occur after May towards the end of the project and will typically take place at night.

APPROVAL OF MINUTES

1. Approval of Minutes

Regular Meeting: January 12, 2011

Vice Chairman Washington made a motion to approve the regular meeting minutes of the January 12, 2011 meeting. Commissioner Yates seconded the motion, which carried by a unanimous vote of seven (7) to zero (0).

PUBLIC COMMENT

Mr. Scott Casey expressed his concerns about the visiting aircraft form. He has a private facility with nine jets based at Scottsdale, three of which are based at private hangars. They are charter craft so every time they pick up or drop off passengers at their facility, the company has to document it by completing the visiting aircraft form. They are always on call so this is frustrating. He hoped that it would be possible to submit the documentation online rather than by fax. Alternatively he asked for an exemption for operations like his, where the aircraft are based in Scottsdale, pay taxes to the City, and are on the company's charter certificate. So far this week they have done five forms, and it is only Wednesday evening.

Chairman Buzzard suggested that he contact Airport Operations Manager Mr. Chris Read to discuss his ideas.

REGULAR AGENDA

1. Discussion and Input regarding Bye Aerospace moving to Scottsdale Airport.

Chairman Buzzard invited the Executive Vice President of Bye Aerospace, Mr. Scott Chesnut, to address the meeting. Mr. Chesnut described his background as a native of Scottsdale with a 25-year career in the Air Force. He outlined the history and structure of Bye Aerospace. Mr. Chesnut described the Green Flight project, to train pilots on electric aircraft. He explained that the CEO, George Bye, is interested in opening some business operations at Scottsdale Airport. The project has been publicly endorsed by Cessna. He displayed photos of the prototype aircraft. Things are progressing rapidly.

Mr. Chesnut discussed possibilities for basing operations at Scottsdale Airport. One would be a training operation, perhaps in partnership with one of the FBOs. A retrofit facility is another possibility. The third possibility would be to set up a sales office.

Commissioner Goode asked Mr. Chesnut how many jobs would be created by the retrofit operation. Mr. Chesnut replied they are estimating 30 to 40 jobs initially. He could not say what the average wage would be but volunteered to procure that information. Commissioner Yates asked if Bye Aerospace would require incentives. He said they are always interested in incentives. He added that Bye Aerospace already has an office at SkySong.

Commissioner Goode asked what a retrofit would cost and how many they can do per month. Mr. Chesnut said the retrofit will likely cost around \$50,000 to \$60,000, but fuel and maintenance costs will be much lower. He added that most of the research and development will continue to be located in Denver.

Vice-Chairman Washington said he has many technical questions but will email those to Mr. Chesnut. He asked whether Bye Aerospace is considering offering financing plans for the retrofits. Mr. Chesnut said that will be an option. Vice-Chairman Washington said this is very exciting and asked Mr. Chesnut to keep the Commission informed.

Commissioner Bergdoll asked how soon they expect to be able to sell retrofits. Mr. Chesnut said it could be in about a year's time. Commissioner Bergdoll asked how many retrofits they project doing annually once things are up and running. Mr. Chesnut said they anticipate 40 to 50 a year initially but that is very preliminary data. They do not know exactly how long each retrofit will take.

Commissioner Casey asked how many aircraft would be used for training with the FBOs. Mr. Chesnut said five to ten would be realistic. Commissioner Casey said the electric aircraft concept is a great idea, following recent developments in the automotive industry.

Chairman Buzzard commented that Arizona is well suited for flight training. He expressed interest in helping Bye Aerospace network with the Economic Vitality Department, the Chamber of Commerce, et cetera. He asked Mr. Chestnut if they are

working on the requirements. Mr. Chesnut said they are working on a requirements document.

Mr. Mascaro said this is an exciting opportunity. This morning he spoke with the City Manager and he is interested. He asked what the City and the Airport can do to help him encourage the company to locate to Scottsdale. Mr. Chesnut said they would want to discuss how Bye Aerospace could fit into the strategic plan for the Airport. He personally hopes that the company decides on Scottsdale.

Chairman Buzzard thanked Ron Stafford for having brought this opportunity to the Commission's attention.

2. Discussion and Input Regarding the Process of Basing an Aircraft in the Airpark

Mr. Read reviewed the relevant rules and regulations and the application checklist.

Commissioner Casey commented that the process seems complicated and could discourage people from basing their aircraft at Scottsdale. Mr. Mascaro explained that the first part of the checklist requests legal information. The second part of the checklist is to ensure that the aircraft can actually fit into the space, based on the rules in effect. He is recommending some changes to this part of the regulations. Finally, the Airport needs to be sure that operators have the proper business permits. He pointed out that at the top of the form, they invite applicants to be in touch with staff. This was mandated by the FAA in the late 90's after the FBOs complained that there was less control over Airpark operators so the playing field was not level. His goal is to make things easier both for aircraft owners and the Airpark operators. Mr. Mascaro said the process at Scottsdale is similar and in fact less complicated than at some airports. He assured the Commission that staff is very willing to help applicants through the process. However Airport staff have to follow City Code.

Thanking Mr. Mascaro for this explanation, Commissioner Casey inquired whether the end users, owners deciding to base their aircraft at Scottsdale, express resistance to following the process. Mr. Read said people resent having to get a letter of authorization signed by a person named on their company's articles of incorporation, since that person typically is the CEO and extremely busy. People do get frustrated with all the paperwork.

Commissioner Casey emphasized that staff are just doing their job and his remarks are not an attack on them, but this is a difficult job. He knows end users in Carlsbad who have considered basing their aircraft in Scottsdale. This would be good for his business and for the City. He asked for the definition of a rotating fleet, noting that some winter visitors want to be based in Scottsdale in the winter but go elsewhere in the summer. Mr. Read said they can register for six months.

Commissioner Schuckert said when he joined the Commission he wanted to make the Airport more user-friendly and inquired about the typical timeline to complete an application and be allowed to base an aircraft at the Airpark. Mr. Read said ten business days from the time that staff receives the completed package. It can be faster depending on their workload.

Chairman Buzzard asked whether it is possible to give an interim approval. Mr. Mascaro said staff will work with customers. Communication is key to the process. Just last month they were able to help one of the operators. He added that Mr. Read is diligent and the process usually takes less than ten business days once he receives the packet. In reply to a follow-up question from Chairman Buzzard, Mr. Read said other rules and regulations address Airpark security.

Vice-Chairman Washington apologized if he had created a lot of extra work for staff by requesting this agenda item. It is helpful to understand that these are legal and insurance requirements. He commented that asking for a copy of the lease showing what rent the aircraft owner is paying is potentially competitive business information. People may be reluctant to disclose this and he does not see why this is needed. Mr. Mascaro said this may change with the regulatory rewrite. Currently the operators of hangar shade leasing have to pay the Airport five percent of their gross sales as a fee for their aeronautical business permit, so staff needs to know the rent being paid. Staff is recommending getting rid of the five percent of gross sales fee and replace it with a flat fee based on aircraft size. If that recommendation is adopted the rent amount could be redacted from the lease. However, staff needs to be sure there is a binding contract.

Agreeing that the FBOs should not be put at a competitive disadvantage vis-à-vis the Airpark operators, Vice-Chairman Washington said he would like them to consider what is the minimum that needs to be done to adequately protect the FBOs and the City. He feels the current regulations may be too protective of the City. Anything that can reduce the paperwork burden should be done. Mr. Mascaro agreed that reducing paperwork is the goal of the regulatory rewrite process. The current documents are ten years old, as Scottsdale was one of the first airports in the nation to create an Airpark rules and regulations program. Many others have used the Scottsdale regulations as a basis for creating their own. He agreed with hindsight that things are over regulated. However he also has the goal of protecting the Airport and the FBOs.

Commissioner Yates said she believes they are on the right track. Staff have a professional responsibility to protect the Airport and she feels they are doing a great job.

3. Discussion and Possible Action Regarding the Airport Commission Liaison Program

Chairman Buzzard reminded the meeting that in January Commissioner Goode took responsibility for security and Commissioner Schuckert took responsibility for Scottsdale Airport regulations and standards.

Commissioner Goode reported that he spoke with Lisa Borbe Haught from the TSA to get an update on the large aircraft security proposal (LASP). This is currently being reviewed by the TSA's legal department. It will then go to NPRN for public comment. Ms. Borbe Haught apparently thinks the proposal will be out by the end of 2011. When she briefed Commissioner Schuckert last August, the comment period was expected to start late last year.

Commissioner Goode has learned that there will apparently not be a lot of requirements for airports. The original proposal has been negotiated and it seems the requirements will not be as onerous as originally feared.

Reporting on Airport regulations and standards, Commissioner Schuckert said he downloaded about 90 pages and started reading a hard copy. He realizes there is an awful lot of work to be done. It is very important that all the stakeholders review the regulations and present their positions. This is the beginning of a long process. Chairman Buzzard remarked that the March 1st workshop should attract many of the stakeholders.

Mr. Mascaro said staff has made some wholesale recommendations but the key is for the community to provide input. Information has been emailed to all 412 names in their database. They have requested that people RSVP to ensure that the space is large enough to accommodate all attendees. The workshop will be at the Thunderbird Suites at 5:00 p.m.

Vice-Chairman Washington said that Mr. Read and he toured the Airport with Kristena Hansen, the new Airport reporter for the Arizona Republic. Her stories have been accurate and well checked.

He reported that the eagle statue will be placed at the north east corner of Scottsdale Road and Thunderbird. The Development Review Board has approved the site design and installation will take place probably in March. There is a plan to landscape the 2.5 acre site to the east of the site with private money. The two citizens who are spearheading this initiative wish to address the next Commission meeting.

Chairman Buzzard shared that he received a cogent and thoughtful email from a resident of Ironwood Village regarding noise issues. He asked whether he could send other Commissioners copies of the correspondence. Mr. Mascaro suggested that if anyone responds to a direct email they should copy him. Then City staff can disseminate the information to the whole Commission.

4. Discussion and Input regarding Monthly Operations Reports for January 2011

Mr. Read presented the monthly operations reports for January 2011.

Commissioner Goode asked whether 2007 represented the peak of Airport operations. Mr. Read said 2007 was picked as a comparison point because it was a median year. 2004 or 2005 was the busiest year in the past decade.

5. Discussion and Input regarding Monthly Financial Reports for December 2010

Airport Management Analyst Ms. Shannon Johnson presented the financial reports for December 2010. Past due accounts receivable now account for a fraction of one percent.

Commissioner Bergdoll complimented staff on the improvement in aged accounts receivable.

Chairman Buzzard encouraged the Commissioners to look at the format of the report and its contents and suggest any changes they would like.

6. Discussion and Input Regarding Airport and Airpark Aeronautical Business Permit Additions, Cancellations, or Revocations

Ms. Johnson stated that through February 1 there were no changes to Airport permittees. There were two changes in the Airpark. Peak Aero has been added as a new aircraft management permit and S&S Aviation Partners cancelled their permit for hangar and shade leasing.

Mr. Mike Aaby of AeroJet Services addressed the Commission. He told them that in the last nine years his company has pumped over six million gallons of fuel. He said Scottsdale has the best airpark in the United States. Many high profile passengers fly from their hangar because they appreciate the security and privacy, which is not available through the FBOs.

7. Discussion and Input Regarding Status of Aviation Items to City Council

Mr. Mascaro reviewed that City Council recently considered the Memorandum of Agreement between the FAA and the City for the weather equipment, and authorized the runway safety enhancements project. The Airport Advisory Commission annual report was sent to the City Clerk's Office with comments made at last month's meeting.

8. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Schedule and Commission Item Calendar

Mr. Mascaro said that the Aviation Enterprise Fund Five-Year Plan is scheduled to be presented to the Commission in March.

COMMISSION SUMMARY OF CURRENT EVENTS

Chairman Buzzard reported that he attended the first Airpark Advocacy Group meeting and the Scottsdale Chamber of Commerce Airpark Group meeting. The Airpark Advocacy Group has a laundry list of improvements relative to Airpark and Airport issues. He undertook to compile the list and share it with the Commission. He suggested to the Group that they consider partnering with the Chamber for a new economic impact study. They were very receptive to this.

He has added most of the members of the Advocacy Group on the Airport subscription list, as many of them were unaware of the existence of the list. The Group is planning a Runway Runaround race around the Airpark for next year and are working with staff.

Chairman Buzzard thanked everyone for voting that he continue as Chair for a second year. He takes the trust placed in him seriously and hopes he can live up to their expectations.

He congratulated Mr. Mascaro and the Airport staff on receiving the annual training excellence award from the American Association of Airport Executives.

Chairman Buzzard told the Commission he will be absent for the March and April meetings as he will be fulfilling military duties.

FUTURE AGENDA ITEMS

Chairman Buzzard said he would like a discussion of a possible new economic impact study at the next meeting.

Vice Chairman Washington made a motion to agendize a discussion at a future meeting regarding a possible economic impact study. Commissioner Bergdoll seconded the motion, which carried by a vote of seven (7) to zero (0).

ADJOURNMENT

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:36 p.m.

Respectfully submitted,

A/V Tronics, Inc. DBA AVTranz